

February 27, 2004

Dear Colleague:

The comments made by Federal Reserve Chairman Alan Greenspan this week have generated considerable discussion regarding the financial status of the Social Security system. While we are pleased that this issue is beginning to receive the attention it deserves, we are troubled by some of the rhetoric from both ends of the political spectrum criticizing Chairman Greenspan for suggesting that we need to make tough choices today to make sure that Social Security remains strong for future generations.

Despite the overheated rhetoric about his comments, Chairman Greenspan was simply stating the undeniable, though unpleasant, fact the government has promised more in entitlement benefits than it can afford to pay. Chairman Greenspan's comments echo warnings made by the Congressional Budget Office, General Accounting Office and other non-partisan analysts that the Social Security system will place a growing strain on our budget and economy if we do not take action. Responsible experts from both sides of the political spectrum recognize that tough choices will be necessary to deal with the financial challenges facing Social Security whether or not we include personal accounts in a reform package.

We have introduced legislation, the Bipartisan Retirement Security Act, which attempts to credibly address the financial challenges facing the Social Security system. Our legislation combines individual accounts to help workers build a nest egg for retirement with reforms to control the costs of the Social Security program, including some of the suggestions put forward by Chairman Greenspan. The benefits for current retirees and those approaching retirement would not be reduced and future retirees will have greater retirement income than the current system can afford to pay.

Whether or not you agree with the approach in our legislation, we all should be able to agree on the importance of taking action to ensure that Social Security is financially secure sooner than later. If the rhetoric on this issue makes it politically untenable to pass responsible reforms which control the growth of Social Security spending, future generations will face ever growing tax burdens and have fewer and fewer resources to address other priorities as the liabilities of the Social Security system place increasing pressures on the rest of the budget.

We look forward to a serious, honest debate on the best approach to strengthening Social Security. In order to ensure that Social Security is as successful for future generations as it has been for past generations, we must act now. For more information on Social Security reform, please contact Trent Wright, 5-2542, or Ed Lorenzen, 5-6605.

Sincerely,

Jim Kolbe

Charlie Stenholm